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RFC

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AUG. 11, 99

U.S. DEPARTMENT OF COMMERCE
PATENT AND TRADEMARK OFFICE

Trademark Trial and Appeal Board

Danish Dairy Board, Inc.

v.

The Ministry Of Commerce and Industry of the Republic of
Cyprus

Cancellation No. 19,815

Richard H. Koby of Hartman & Craven LLP for Danish Dairy
Board, Inc.

Costa N. Kensington of Kensington & Ressler L.L.C. for The
Ministry of Commerce and Industry of the Republic of Cyprus

Before Simms, Cissel and Chapman, Administrative Trademark
Judges.

Opinion by Cissel, Administrative Trademark Judge:

On April 10, 1990, the mark "HALLOUMI" was registered¹
on the Principal Register as a certification mark for
cheese, based on use in commerce since June of 1946. The
registration states that the mark, "as used by persons
authorized by the certifier, shows that the cheese product

¹ Reg. No. 1,591,489; affidavit under Section 8 filed and
accepted.

is produced only in Cyprus using [the] historic method unique to that country."

On April 24, 1991, a petition to cancel the registration was filed by Danish Dairy Board, Inc., which asserted as grounds for cancellation that respondent obtained the registration based on its claim that no cheese bearing the mark is produced or exported by any country in the world besides Cyprus, when in fact, the alleged mark is the common descriptive name of the goods, and is the generic name of all such cheeses produced and sold by competitors in various countries throughout the world; that the mark describes not only a type of cheese produced in Cyprus, but also a type of cheese produced in Lebanon, Greece, Turkey, other Middle East countries, Australia and Denmark; that non-Cypriot "halloumi" cheeses have been exported to the United States in competition with "Halloumi" cheese from Cyprus since at least 1982; that the registered mark does not identify respondent's goods and distinguish them from goods offered by others and produced in other parts of the world; that petitioner is a wholly-owned subsidiary of the Danish Dairy Board, which is a quasi-governmental instrumentality of the kingdom of Denmark; that petitioner is made up of Danish cheese producers and exporters of cheeses to the United States and other countries; that the registration sought to be canceled is likely to cause damage

to petitioner's members because it tends to impair their right to use the registered term to identify their products; and that the registered mark is deceptive in that respondent claims that only cheese manufactured under the auspices of respondent may be properly called "Halloumi" cheese, whereas this is not so, in view of the fact that many countries throughout the world produce and export to the United States similar cheeses under the same name or similar names.

Respondent's answer denied the essential allegations set forth in the petition to cancel, argued that the petition failed to state a claim upon which relief may be granted, and asserted laches as an affirmative defense. That defense was dismissed by the Board on February 5, 1993.

On March 19, 1993, petitioner moved for summary judgment. The Board denied the motion on May 3, 1994, holding that genuine issues of material fact existed at least as to whether the registered mark is generic, and allowed petitioner time to amend the petition to assert the claim of fraud. Petitioner had argued this claim in its motion for summary judgment, but had not pleaded it in the petition to cancel.

Petitioner then filed an amended petition to cancel, asserting that the registration was obtained by means of fraud, in that the statement in the application wherein respondent (then the applicant) stated that no cheese

bearing the name "Halloumi" is produced or exported by any country other than Cyprus, was knowingly false when made. The amended petition also added the claim that the registration should be canceled because respondent had failed to control the use of the mark.

Respondent denied the additional claims asserted in the amended petition.

A trial was conducted, various motions were made and resolved during the process, and finally, briefs were filed by both parties. Neither party requested an oral hearing before the Board, so we have resolved this dispute based on the evidence and the written arguments of the parties.

The record before us is adequately identified by petitioner in its brief and is not disputed, except for respondent's objections to the testimony of petitioner's witness, Mr. Kissow. Respondent timely raised many objections to various parts of this testimony and the exhibits to it, and the Board deferred ruling on respondent's motion to strike until final hearing. The objections included arguments that petitioner failed to lay the proper foundation, in terms of establishing the personal knowledge of the witness or otherwise authenticating the evidence offered, that the evidence or testimony is hearsay, and even that the way that petitioner numbered and identified the exhibits is unacceptable.

While some of respondent's objections are well taken, others are not. The numbering system used by petitioner did not hinder our ability to consider this evidence, but we have considered only the testimony and evidence that did not suffer from the deficiencies argued by respondent. Moreover, even if we had considered all of the objected-to testimony and evidence, our conclusion with respect to whether petitioner met its burden of proof on the pleaded issues before us would not have been different.

The issues presented in this case are whether the registration was obtained fraudulently, whether the registered mark is generic for the goods with which it is used, and whether respondent adequately controls the use of its registered certification mark. The pleaded ground of deceptiveness was neither established by the evidence nor further argued by either party, so we deem it to have been dropped.

Based on the record before us in this proceeding, we hold that petitioner has not met its burden of proof in establishing that the registration was obtained by means of fraud or that the mark "Halloumi" is generic for a type of cheese. Further, petitioner has not established that respondent failed to exercise an appropriate level of control over the goods with which the mark is used.

Accordingly, the certification mark registration will not be canceled.

Turning first to the fraud claim, we note that the statement alleged to constitute fraud is respondent's statement in the application that "[n]o cheese bearing the name HALLOUMI is produced or exported by any country in the world besides the Republic of Cyprus."

In order to prevail on the ground of fraud, petitioner would have had to establish that respondent intentionally made this statement knowing it to be untrue in order to obtain a registration to which respondent knew it was not entitled. Further, the nature of a claim of fraud mandates that it be proven "to the hilt," with "no room for speculation, inference or surmise," and that any doubt must accordingly be resolved against the party charging fraud. *Smith International, Inc. v. Olin Corporation*, 209 USPQ 1033 (TTAB 1981).

As the Board pointed out to petitioner in its ruling allowing the amendment to claim fraud, relief cannot be granted where the evidence is consistent with the assertion that "respondent may well have believed that others who may have been exporting Halloumi cheese to the United States had no legal right to do so."

In our view, the evidence adduced at trial supports this conclusion. Typical examples of the evidence

petitioner argues proves its claim are a news item from The Reuter Business Report and the press release issued by the Cyprus Embassy Trade Center on April 19, 1990. Petitioner argues that this evidence shows that respondent was aware of uses of the term by others at the time it claimed the exclusive right to the term, and that, accordingly, respondent's statement in the application constitutes fraud. The Reuter item quotes the Cyprus News Agency as stating that "other countries had been exporting goat's milk cheese to the United States claiming the product was genuine Halloumi." The Trade Center piece includes the following: "Halloumi cheese has gained popularity among American consumers and has had to compete against imports from other countries claiming to be Halloumi."

This evidence falls short of being clear and convincing proof that respondent intentionally misrepresented a critical fact to the Patent and Trademark Office in order to obtain a registration to which it knew it was not entitled. The part of the Trade Center press release that characterizes the imports from other countries as "claiming to be Halloumi" uses the upper case letter "H" to present the mark "Halloumi" just as one would present any other trademark, and the use of the term "claiming" clearly implies that such cheeses are not genuine "Halloumi" cheeses. As such, the release does not establish that

respondent's statement in the application constitutes fraud on the Office. The same is true for the Reuter statement. The words "claiming" and "genuine" make it clear that the writer views the statement as an assertion that may not be true.

With respect to the other evidence argued by petitioner to support the fraud claim, we conclude that the existence of books that note the relatively recent production in other countries of cheese purporting to be genuine "Halloumi" cheese does not itself establish that respondent was aware of this phenomenon, but even if it did, respondent's statement in the application that matured into the challenged registration is not inconsistent with the idea that respondent viewed such use of the mark by others as unauthorized use, contrary to its own right to use the mark to certify cheese made in Cyprus in accordance with the standards established there for its production.

In summary on this point, based on the testimony and evidence of record, we cannot conclude that petitioner has met the heavy burden of proof it faced in attempting to establish, by clear and convincing evidence, that respondent's statement that its use of the mark was exclusive was a material misstatement which was knowingly false when made, and that respondent thereby intended to obtain a registration to which it knew it was not entitled.

Respondent's statement does not appear to exclude the possibility that respondent was aware that counterfeiters were attempting to palm off an imitation of Cypriot "Halloumi" cheese and sell it in the United States as if it were the cheese produced in Cyprus by entities certified to do so by respondent.

We thus turn to the allegation that "Halloumi" is a generic term for cheese. Petitioner made of record excerpts from several handbooks on the subject of cheese which use the mark in lower case letters, or some other variant of it, in reference to cheese which originated in Cyprus. These written materials indicate that similar cheese products have also been produced in a few places other than Cyprus.

Petitioner's witness Mr. Kissow testified that in his experience as export manager for two Danish cheese makers, he traveled extensively and was personally aware of "halloumi cheese," featuring similar characteristics to those of Cypriot cheese certified as "Halloumi" cheese, produced in several other countries, including Denmark, the place where his company, Nordex, had once produced a cheese product, made from cow's milk, that was intended to compete with the Cypriot cheese made from primarily sheep's milk and goat's milk and sold under the registered mark "Halloumi."

Petitioner at one point seems to acknowledge that the mark may not be known as a generic word within the United

States, but argues that the printed materials of record establish clearly that outside of the United States, the registered mark is the generic name for cheese of this type. Petitioner contends that this foreign generic name should not be allowed to maintain the status of a registered certification mark in the United States.

Petitioner goes on, however, to argue that the evidence it made of record shows that respondent's mark is in fact perceived in the United States as generic term for a type of Middle Eastern cheese. The evidence to which petitioner refers, however, is at best somewhat unclear and ambiguous on this point. A cookbook published here refers to "feta and halumi" as being used in the Middle East for cooking. Whereas this reference appears to use the word in a generic sense, an article from Newsday magazine is less clear. It refers to "Halloumi" cheese as "a lamb's milk cheese that tastes like a mozzarella and feta hybrid." In view of the capitalization of the first letter of the mark and the appearance of "mozzarella" and "feta" in lower case letters, this usage of the term is not inconsistent with proper use in reference to respondent's certification mark. Other examples provided by petitioner suffer from the same problem.

Petitioner further argues that the evidence shows that cheese manufacturers outside of Cyprus use the mark,

presumably without respondent's permission, in connection with products which are not regulated by respondent and are not made in conformity with the traditional materials and process used in Cyprus. Petitioner contends that this evidence shows that such products may not be made exclusively from sheep's milk or goat's milk, as is used in the traditional Cypriot process, but instead are made from the milk of cows. Petitioner takes the position that the registration should be canceled because the evidence of third-party use is persuasive proof that respondent does not control the use of its registered certification mark.

In contrast, respondent argues that the petition to cancel cannot be granted because petitioner has not established that the mark is generic to consumers of cheese in the United States of America, and further, that the registration of a certification mark in this country may not be canceled based on the level of respondent's effectiveness in controlling infringing use of its registered mark that takes place elsewhere.

We find that petitioner's evidence of the use of the registered mark by makers of cheese outside of Cyprus is de minimis. Mr. Kissow's testimony, even if it did not suffer from the aforementioned problems with foundation and hearsay, still must be considered in light of the fact that

he owned and worked for businesses which stood to benefit from the cancellation of respondent's registration.

The petitioner bears the burden of establishing by the preponderance of the evidence that cancellation is appropriate because the mark is generic or because respondent has failed to control its use. See *Cerveceria Centroamericana S.A. v. Cerveceria India Inc.*, 892 F.2d 1021, 13 USPQ2d 1307 (Fed. Cir. 1989). When we consider all of the evidence asserted by petitioner to establish that the registered mark is a generic term used to identify a type of cheese produced "worldwide," and we also consider the evidence and testimony made of record by respondent to the effect that the registered mark is not generic, but rather functions as a certification mark indicating that the cheese bearing it is produced in Cyprus in accordance with the standards established by the government there, we cannot conclude that petitioner has met its burden of establishing genericness by a preponderance of the evidence.

Respondent's survey of consumers in the United States, however, is not the reason we reach this conclusion. The survey is fatally flawed, in that it asked the wrong question. Because the interviewers asked the interviewees whether they associate the term "Halloumi" with a particular country, the survey did not establish whether or not the mark had become generic. As petitioner points out, asking

the question that respondent asked is tantamount to asking whether a person associates vodka or chow mein with particular countries. Positive responses naming Russia and China, respectively, would hardly prove that "vodka" and "chow mein" are non-generic terms which are appropriate for registration as certification marks.

Rather than the survey evidence, our conclusion that respondent's evidence outweighs the evidence of petitioner on this issue is based on the testimony provided by respondent's witnesses Professor Anifantakis; Dr. El-Salam; Mr. Edelman; Dr. Hadjiluca; Ms. Kyriacou; and Mr. Delihis. While not all of these witnesses are totally independent of interest in this matter, their common conclusion is supported by other evidence of record, including books and news articles that identify Cyprus as the source of "Halloumi" cheese. Additionally, as respondent points out, the term "halloumi" is not listed in the dictionaries respondent made of record. If the mark were in fact generic, we would expect dictionaries to list it and give an explanation of its meaning.

In summary on this issue, after considering all of the evidence on this point, we find that petitioner has not met its burden of establishing by a preponderance of the evidence that respondent's registered certification mark is a generic term in the United States or elsewhere.

Turning then to the remaining issue before us in this proceeding, we find that petitioner has also failed to meet its burden of proof in establishing that the registration should be canceled because respondent has failed to control the nature and quality of the goods to which the mark is applied. Contrary to petitioner's arguments, respondent has taken reasonable actions to control the use of the mark. While such control could not possibly be absolute, respondent has exercised control which is reasonable under the circumstances.

Petitioner has made of record no evidence that respondent has failed to control the use of the mark in Cyprus or in the United States. In fact, there is a good deal of information in the record concerning the Cypriot standards, how they are enforced there, and how respondent has taken action against attempted importation into the United States of products improperly labeled as "Halloumi."

There is no support for the idea that the foreign owner of a U.S. registration of a certification mark is somehow charged with the practical impossibility of controlling absolutely the use of the mark throughout the world, irrespective of the governing laws outside of its own country and the United States. As respondent points out, the registration petitioner seeks to cancel by means of this proceeding does not and cannot grant respondent rights in

countries other than the United States. Respondent's actions to control the use of its mark in Cyprus and here have not been shown to be below the level necessary to maintain its United States registration.

In summary, petitioner has not shown by a preponderance of the evidence that the mark is generic or that respondent has failed to control adequately its use, nor has petitioner established by clear and convincing evidence that respondent committed fraud in the procurement of the registration. Accordingly, the petition to cancel the registration is denied.

R. L. Simms

R. F. Cissel

B. A. Chapman
Administrative Trademark Judges,
Trademark Trial & Appeal Board